Preliminary Report
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Committee on the Preservation of Agricultural Land

Report of Subcommittee VI
Review of Legislation to Preserve Agricultural Land
in Other States and Other Countries

Committee Members

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Assignment - The Sub-committee was instructed to review enacted as well as proposed legislation designed to preserve agricultural land in States other than Maryland and in other countries.

Procedure - The Sub-committee outlined possible types of government activities (primarily legislative) which either had been pursued or could be attempted as a means of retaining land in agriculture. After this framework of possible actions was developed, a search was made in various ways (review of literature, through correspondence, etc.) to inventory governmental activities along these lines. Representatives from New York and New Jersey were invited to discuss measures in their respective States concerning such enacted and proposed legislation.

In general two types of actions related to preserving land in agriculture have been taken in a number of States. The most frequent type of action was with respect to modifications of procedures of levying the property taxes on farmland. Some modifications have occured in about 30 to 35 States. In most cases, these actions apparently have provided, at least some temporary relief from pressures to convert farmland to more intensive uses such as commercial, industrial and residential development. Such measures apparently had some influence in that land owners were not encouraged to sell land for development purposes because of rising taxes without comparable increases in income when it was retained in agricultural production.

Property tax relief on farm land has been criticized because it sup-

posedly enabled land "speculators" to hold land at relatively low cost in anticipation of reaping "windfall" gains when "the price was right." To offset this criticism various means (schemes) were attached or included with use-value assessment laws including "rollback" taxes or penalty taxes. Legislation which included modifications of property tax procedures as a means of refraining from encouraging agricultural land into more intensive uses was developed within the last 20 years.

A second technique for retaining land in agricultural use which is receiving more attention currently and has been adopted in one form or another in a few States includes some form of "zoning." Although zoning has been used extensively in the United States as a means of controlling land use, most of the applications have been in urban or urbanizing areas rather than in rural areas. Traditionally, the regulation of land use through enactment of zoning ordinances was done to prevent incompatible land uses from developing in the future. However, "zoning-like" regulations are evolving which appear to be directed toward retaining land in low intensity uses. Such measures directed toward encouraging agriculture appear to have been rare.

A third governmental technique which has been used to gain public influence over land use patterns includes actions in which governmental units acquire either a part or all of the "bundle of rights" associated with private ownership of land. In this technique, governmental units acquire (through purchase, barter or gift) the right to change the use of land.

LEGISLATIVE ACTION TO PRESERVE AGRICULTURAL LAND IN OTHER STATES AND COUNTRIES

Introduction

The total production of agricultural products in the United States between the late 1920's and about 1970, except during war periods, was sufficient and in some cases more than sufficient to meet the demand at "reasonable" prices. In fact, during most of the last half century, there was more concern about "over production" of agricultural products than about "shortages." Government policies and actions, particularly at the Federal Government level, were designed mostly toward attempts to raise and maintain farm income at acceptable levels through restraints on total production. Many of these programs were designed to move both land and people out of agriculture. Maintenance of adequate farm income levels through restraints on total output apparently was assumed to be a responsibility of the Federal Government.

With expanding population and to some extent, concentrations of population within smaller geographic areas through migration following World War II, selected communities and regions became concerned about the relatively rapid rate of conversion of land from agricultural to non-agricultural uses. Concerns probably were aroused because of:

(1) the recognition of near irreversibility of such decisions,
(2) the recognition of an apparent degradation of environmental quality (i. e., air, water and soil pollution),
(3) the recognition of "high" costs of providing public services in "urban sprawl" communities,
(4) the recognition of incompatibilities of urbanized and agricultural uses of land in close proximity and
(5) the recognition of the emergence of possible food and fiber shortages and associated rising costs of these items as more and more land was converted from farm uses to other uses.

Retaining land in agricultural production is viewed by numerous peo-

ple as a means of resolving many of these problems. Thus, they claim that the more land kept in agriculture now, the greater the future food and fiber production potential; the more land retained in agricultural uses, the greater the potential for recycling and therefore more efficient waste management with less environmental pollution; and the more land retained in agriculture, the less urban and sub-urban sprawl and accompanying high costs of providing public services. Despite increasing concerns, few, if any, actions have been taken by State and local governmental units in pursuit of preserving land in agriculture to meet future food and fiber needs at reasonable costs. Most actions were based on other objectives thought to improve general welfare such as (1) elimination of urban sprawl, (2) protection of environmental quality, (3) elimination of water, air and soil pollution, (4) improvement of scenic and esthetic qualities and (5) general enhancement of safety and welfare of citizens.

Possible Governmental Actions to Preserve Agricultural Land

Since the early years of the 20th century, governmental units (State and local) have taken various courses of action to influence land use patterns.[1/] Such actions included: (1) Acquisition, (2) Planning, (3) Adoption of zoning ordinances, (4) Modifications of taxation policies and (5) Enforcement of privately ordained easements. However, there is little, if any, evidence that these actions were taken for the single purpose of preserving agricultural land per se. In fact, prior to the 1950's the apparent attitudes of State Governments were that most land use problems were urban problems rather than problems within rural or agricultural areas. Justification for the States to delegate "police powers" to local governments through Enactment of enabling acts during the 1920's in which "police powers" were delegated to local governments by state governments seem to have been justified by this apparent belief.

Acquisition

Ownership of land includes an "exclusive bundle of rights" permitting the reaping of certain benefits subject to laws and regulations. The largest bundle of rights accruing to an owner is referred to as "fee simple" rights. In general, the fee simple owner has the rights to possess, use,

1/ A form of "zoning" (regulation of the location of so-called nusiance industries) was practiced in the Massachusetts Bay Colony during the 17th Century. However, the form of zoning as we know it today came into existence around 1920.

sell, lease, mortgage and dispose by gift or devisement to the exclusion of all others subject to reserved powers by the government which include taxation, eminent domain and police protection. Ownership of land may be held by individuals, corporations, groups or public bodies. Therefore, if governmental units wanted land to be used in a particular manner, they could purchase the land in fee simple and, thereby, direct its use as desired.

Acquisition of Fee Simple Rights -

When land is purchased in fee simple, there must be a willing seller as well as a willing buyer. If a governmental unit desires to purchase fee simple rights in land and the owner is unwilling to sell, governmental units may use the power of eminent domain. However, eminent domain powers of governments are restrained by (a) use of the federal and state governments only unless delegated to others, (b) the land must be used for a public purpose and (c) just compensation must be paid. Purchases of fee simple rights in land by governments in the United States in the past were limited largely for public education facilities, general government activities, use by public utilities including transportation and public recreational facilities Conceivably, land could be purchased by the government and subsequently (1) operated as farmland by the government, (2) leased to farmers or (3) sold with a covenant or easement to restrict future use to agricultural production.[1/] The purchase of land by governments usually has been done only for providing immediate functions such as school purposes, transportation facilities or recreational purposes. Suggestions for governmental purchase of land for the purpose of retaining land in agricultural uses usually have taken forms other than acquisition of fee simple rights.

Acquisition of Less Than Fee Simple Rights -

Fee simple owners of land may convey either the entire or a part of the "bundle of rights" which they hold in land. One legal document which is used to convey a part of the bundle of rights from one owner to another

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1/ There may be some difficulty in convincing the Courts to classify such action as a "public purpose." In the absence of such classification, powers of eminent domain could not be used.

is called an "easement." An easement is used to convey the right to the use of land from one owner to another party without the owner transferring possession. A land owner may convey the right to construct a power line, gas line or right-of-way, for example, by granting an easement. When an easement is granted, the owner gives up part of the rights previously held in land. Governments conceivably could acquire easements from land owners in which the land owner conveys part of the rights (such as the right to develop or the right to urbanize) to his land for some stated period in the future, including perpetuity. Though Governments have acquired easements from private landowners in various ways and by various means (through purchase, by condemnation proceedings, by granting tax concessions and by gift) in all States, acquisition of rights for the purpose of retaining land in agriculture has been done only in a negative manner. The Governmental unit acquired rights which included a restraint on the future land use by the owner; these rights restrained the owner from using his land in specified manners and thereby permitted only open space or agricultural use.

Proposals for Governmental units to obtain easements as a means of retaining land in agricultural uses were advanced formally only recently. These have been of different forms including the purchase of easements, some form of compensatory zoning, benevolences, or in exchange for certain tax concessions.

Planning

Frequently, the terms "planning" and "zoning" are used in a hyphenated manner particularly when they are used in discussions concerning local governments and/or land use or land development. Although planning and zoning may be closely related in some cases, the terms should not be used interchangeably. Planning is much wider in scope and more applicably refers to a thought process while zoning is a regulatory technique for implementing portions of a plan - specifically, parts of the land use plan. Other regulatory techniques include subdivision regulations, building and sanitary codes, adoption of capital improvement programs, sedimentation and wastes disposal regulations and "environmental protection" regulations.

> "One of the most important and least understood aspects of contemporary American life is the planning function in government. Planning, of course, is a fun-

> damental responsibility of both government and private enterprise, but it is also a subject about which most of American society is strongly ambivalent. Curiously, long range, comprehensive, innovative planning based on advanced technology and information is expected and admired in private enterprise, while the same is viewed with suspicion, if not alarm, in government at almost any level."[1]

All State and local governments have engaged in long-term and short-term planning which influence land use patterns. Short-term planning involves annual or biennial budgeting which designates specific expenditure patterns. Planned expenditures influence private as well as public land use decisions.

Long-term planning involves the development of plans for governmental functions as well as plans for the private sector of the economy such as industrial and/or community development. Plans for functions such as transportation, water and sewer, public construction, etc. usually are developed for 10, 20 or even 30-year periods. These plans identify the intended composition and timing of installation of facilities.

Government planning of activities of the private sector begins with forecasts of likly directions and trends. Additional planning may be done in order to modify apparent trends. These plans are implemented by persuasion, providing a complex of incentives-disincentives and by exertion of the police power.

Land Use Planning by Governments

Effects of governmental action on land use decisions may be either direct or indirect. Under the Constitutional Government of the United States, powers are distributed among the three levels of government - Federal, State and local. The federal government may take only those actions by exercising those powers authorized in the Constitution. The federal government is authorized to regulate land use, of non-federal lands, in a limited way, by the interstate commerce clause.

The major influence of the federal government planning on land use is

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[1] McGrath, Dorn C. Jr., "Planning: Some Questions, Answers, and Issues," Journal of Soil and Water Conservations, Volume 28, Number 1, January - February, 1973.

through its acquisition of land for public parks and wilderness areas and other public projects such as the interstate highway system. The currently impending National Land Use Policy Act would permit the Federal Government to establish an incentive - disincentive complex to encourage land use planning by state governments.

State Governments apparently possess the broadest powers of the three levels of government with respect to land use planning activities. However, these powers were delegated to some or all local governments in all States between the 1920's and 1967. After delegating land use planning activities to local governments by passage of enabling acts in the 1920's and 1930's in many states, state planning boards were established in most states during the 1930's to develop public works plans. These agencies either terminated or became industrial development agencies after World War II. However, many state planning agencies were recreated or established in the mid 1950's after passage of the Federal Housing Act of 1954 which required a state planning agency through which planning funds were to be allocated to local governments.

Authorization for local governments to develop land use plans within their jurisdictions (and in some cases extraterritorially) are provided in enabling acts except in those states in which constitutions provide for home rule charters. Most enabling acts contained provisions which required the development and adoption of a master land use plan before the local government could adopt zoning ordinances.

Zoning

In the 1920's, a model state enabling act (a state statute in which the state government delegated land use zoning powers to local governments) was developed in the U. S. Department of Commerce. During ensuing years (and particularly after the 1926 Supreme Court Decision in Euclid vs. Ambler, in which the constitutionality of land use regulation was upheld) most States adopted the model act in some form.

Most municipal governments (cities, towns, counties or townships) throughout the United States were granted powers to enact zoning ordinances, (Figure 1).

Zoning ordinances contain four principal features. These are rules and regulations concerning:

1. Permitted land uses within specific districts,
2. The size of lots and percentage of area on which buildings may be constructed,
3. Maximum height and/or bulk restrictions of structures and
4. Maximum population densities.

Zoning ordinances are statutes of local governments and usually include a map which designates boundary lines within which various land use restrictions apply.

Zoning rarely was used to influence or control land uses in open country or rural areas prior to 1950. Traditional zoning measures excluded future non-permitted uses. Since certain types of land uses were "zoned out" rather than being "zoned in", zoning influences the amount of land used for agriculture by excluding other uses.

Taxation

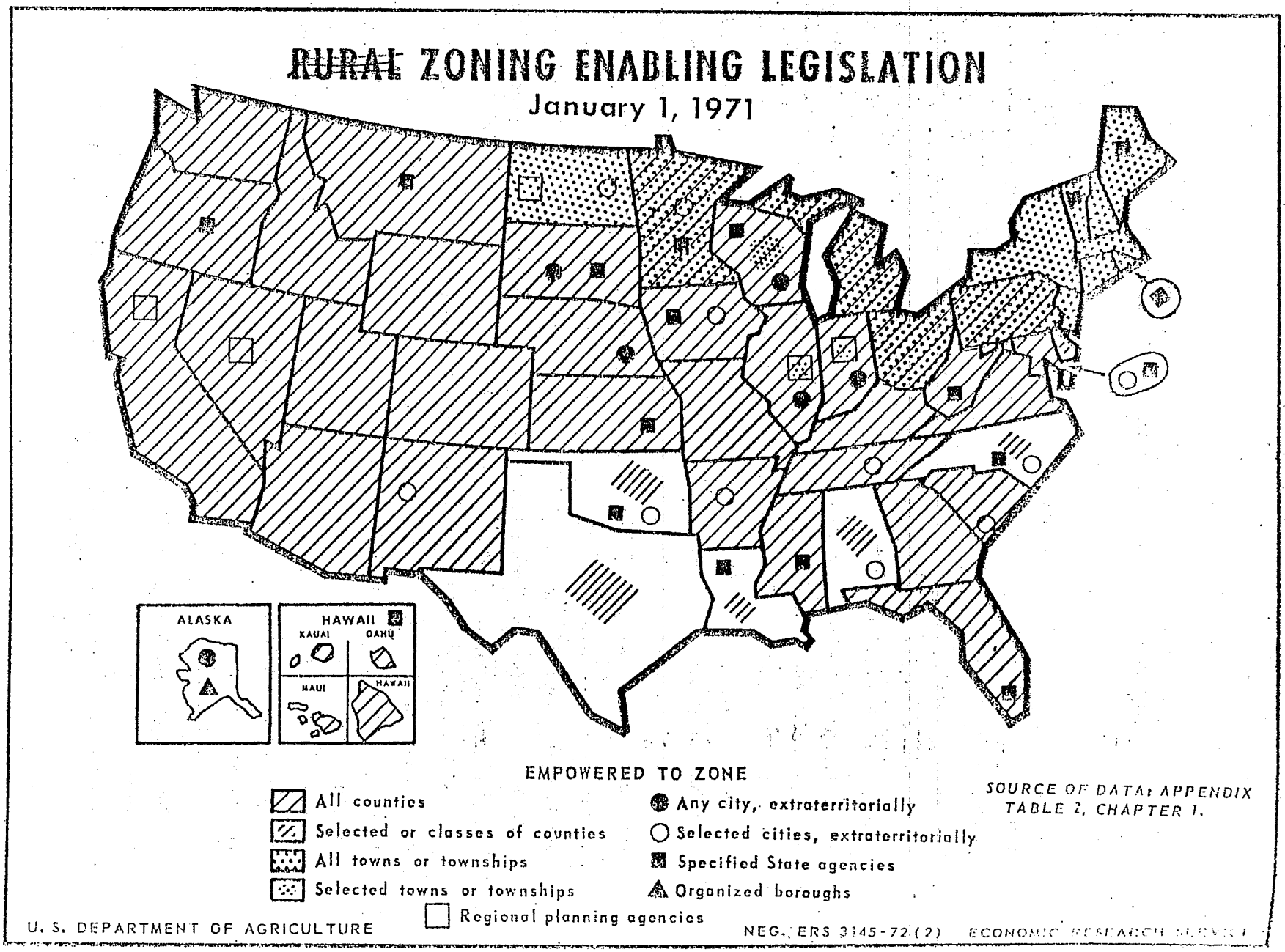
Governments obtain most of their revenue to support government functions through taxation. Although raising revenue seems to be the most important reason for levying a tax, taxation policies have been suggested and perhaps designed at times to achieve other purposes. For example, the Federal Government has increased tax collections during some inflationary periods in attempts to eliminate inflationary pressures. On the other hand, Federal tax collections have been reduced during some recessionary periods in order to increase economic activity.

When taxes are levied purely to raise revenue, it would be desirable that taxes have a neutral effect on economic behavior. In such cases, not only would a given tax rate generate the greatest revenue, but also it would have the least disruptive effect on the economy. However, neutrality of tax policies does not result because it is desired by policy-makers; even though the tax is levied with intentions that it will have a neutral effect, it may result in undesirable consequences.

For example, ad valorem assessment of agricultural land for property tax purposes when market values are influenced by factors other than land earnings in agricultural uses tends to encourage land owners to convert their land to other uses. Furthermore, conversion of land from agricultural uses may not be in the greatest public interest. Since the

Maryland Farmland Assessment Law was enacted in 1956, use-value assessment laws of some form have been enacted in more than 30 States.

Figure 1


RURAL ZONING ENABLING LEGISLATION
January 1, 1971
ALASKA
HAWAII
KAUAI
OAHU
MAUI
HAWAII
EMPOWERED TO ZONE
All counties
Selected or classes of counties
All towns or townships
Selected towns or townships
Any city, extraterritorially
Selected cities, extraterritorially
Specified State agencies
Organized boroughs
Regional planning agencies
SOURCE OF DATA: APPENDIX TABLE 2, CHAPTER I.
U. S. DEPARTMENT OF AGRICULTURE
NEG. ERS 3145-72 (2) ECONOMIC RESEARCH SERVICE

Modifications of Property Tax Procedures as a Means of Retaining Land in Agricultural Production

Within the last half century the property tax has become the most important source of revenue for local governments in the United States. In recent years, near 90 percent of all tax revenue collected by all local governments was from property taxes. The most important function of local governments is to provide services to citizens of the local jurisdiction rather than to increase the National welfare. Since local governments establish property tax rates and perform the tax assessment function in most States [1/] within a set of guidelines and since local governments probably do not place high priorities with respect to future agricultural production potential, modifications of the property tax to preserve agricultural land would not be expected to originate the local governments.

After enactment of the Maryland Farmland Assessment Law in 1956 which required the assessment of "land actively devoted to farming" on the basis of its value in such use rather than on any other basis, similar laws were adopted in about 35 States. Support for modification of property tax procedures as applied to farmland apparently resulted from recognition of the following developments.

Although there was a net migration of people from farms to non-farm residences in the United States over the last century except for a few years in the Depression of the 1930's, movement of people from farms to the cities and the suburbs increased substantially following World War II. Areas near metropolitan cities - the suburbs - increased in population and some land previously in agricultural uses was converted to residential, commercial and industrial uses. Demand for land within the rural urban fringe for non-farm uses expanded and prices of land increased. Parcels of land which were sold for non-farm uses were greater than farm values.

1/ This has been the case in Maryland in the past, though in the future, the State Government will perform the assessing function.

According to most State Constitutions, real property was to be taxed on a uniform basis. Generally, this was interpreted to apply to both property tax rates and to bases for determining assessed valuations. Though most State taxation laws indicated that assessments were to be according to "full market value" - ad valorem values - assessments usually were made according to some percentage of market value. Furthermore, market value was interpreted to mean the price which would be arrived by a willing buyer and willing seller dealing in an "arms length" transaction. Thus, in appraising the market value of land which had not been sold recently, assessors generally used the "comparative sales" method as a basis for assigning market values to specific parcels of land. Therefore, the sale of a few parcels of land or farms within a community became the standard for appraised values of all similar land. For an area about the size of a county, about 5 percent of the land is passed through the market annually. Tax assessments placed on 95 percent of the land thus were determined by sales of only about 5 percent. Farm land owners retaining their land in farm uses found their tax liabilities rising without comparable increases in income. In such cases, land was apparently being sold for other uses.

Another reason for modifying property tax procedures sometimes offered is that different types of land users may not require or be supplied with the same level of government services supported by property tax revenues. The land users which contribute most to increased costs of public services are said to be intensive development users.

A third justification for use-value assessment is that taxes should be assessed according to ability to pay. Such procedures have been in existence in several countries other than the United States. In fact, the basis for property taxation as followed in Colonial America apparently was based on some measure of use-value.

Property tax relief may be granted in either of four ways. First, assessed valuations as a percent of "market value" may be reduced. Second, assessed valuations may be based on factors other than market value, such as use value. Third, tax rates could be varied according to the tax base as is usually done in the case of income taxation and computation of estate tax liabilities. Fourth, tax collections could be deferred in any of the above three cases until the use of the property is changed. Most use-value

assessment laws now contain a provision for the collection of a "roll-back" or penalty tax when the land use changes from an extensive to a more intensive use.

Use value assessment laws also vary as to which lands qualify. Definitions of qualifying lands vary from "land actively devoted to farm use" as determined by the tax assessor to minimum acreages and/or minimum incomes per acre, to historical use requirements, and to committments to specified uses in the future.

Procedures in levying property taxes on agricultural, forest, recreational and general "open space" land uses have been modified in about 35 States since the adoption of the first farmland assessment law in Maryland in 1956. The laws vary in detail among the States but may be classified into three groups according to major provisions. These include, (1) use-value assessment without a financial penalty when a change in use occurs, (2) use-value assessment with a financial penalty when a change in use occurs and (3) minimum periods in which land must be committed to agricultural use without variations in financial penalties according to the time remaining in the contract when it is breached. Other provisions include specific definitions of qualifying lands and mandatory or optional use value assessment.

The use-value assessment laws in nine States contain no provisions for collection of a "roll back" or "penalty tax" when land is changed from agricultural to other uses. In 22 States, land which is changed in use and has been under farm use-value assessment is subject to either a "rollback" or some form of "penalty tax." These amounts vary from the equivalent of a two-year roll back to ten years or to some percentage of the sales price. Eligibility for use value assessment is established by dedication or committment to open space use for some period in the future in five States. The forms of dedication to open space use vary from the filing of a formal agreement or contract to the transfer of an easement. In all cases, the contracts or easements contain procedures for cancellation either by the owner or by some governmental agency. However, a financial penalty is included when the contract is cancelled by the land owner.

Objectives of Use-Value Assessment Laws

One objective sought in enactment of agricultural and open space use-

value assessment laws was to refrain from encouraging premature conversion of land use to more intensive uses. The extent to which this goal was achieved is difficult to measure and has been the subject of much controversy. To the extent that land in agricultural uses was being "financially pushed" to other uses, reductions in tax collections would be expected to delay conversion rates.

Agricultural land located near urbanizing areas is subjected to increased taxes when land values for other uses are rising and assessments are based on market valuations estimated by the comparative sales method. These factors occurred during periods in which net farm incomes were not rising.

Use-value assessment has been criticized as a means of retaining land in agricultural production on the basis that it provides a "tax break" to land owners while the land is in agricultural use but that it is converted to other uses when "the price is right." This is the reason that various penalty taxes in the form of "rollback taxes," "conveyance taxes" or "change in use taxes" frequently were included with the use value assessment laws.

Others have argued that use-value assessment laws provide temporary relief from urbanization pressures on land use conversion and that other means are needed to provide more permanence to retaining land in agricultural and open space uses. Additional legislative measures which could be enacted include the establishment of agricultural districts as has been done in New York or providing additional compensation for retaining land in open space uses as currently proposed in New Jersey.

Decription of Agricultural Land Assessment Laws in Selected States -

Farmland assessment laws in several states are combined with other land use regulatory measures. For example, enactment of the use-value assessment law in Hawaii was a part of the State Land Use Law which was enacted in that State in 1961. Use-value assessment in New York State is combined with the establishment of agricultural districts.

Description of Laws in Selected States

Hawaii

The Land Use Law enacted in Hawaii in 1961 provided for the estab-

lishment of a State Land Use Commission which was assigned the responsibility of establishing boundary lines for four districts within the State. These included (1) an urban district, (2) a rural district, (3) an agricultural district and (4) a conservation district. The responsibility of regulating land use within urban districts was assigned to local governments, the Land Use Commission issues land use regulations within rural and agricultural districts and the State Department of Natural Resources was assigned this responsibility within conservation districts. Other provisions of the Law permitted land owners to dedicate their land for agricultural and other open space uses for periods of 10 to 20 years. In return for this dedication, land owners are permitted to have their land assessed according to agricultural use value. Land in an agricultural district which is dedicated for 20 years is assessed at 50 percent of agricultural use value; that which is dedicated for 10 years is assessed at full agricultural use value.

California

The California Land Conservation Act of 1965 (the Williamson Act) provides for the establishment of contracts between eligible land owners and their city or county governments in which land may be dedicated to agricultural use for a period of 10 years. Upon agreement, the land is assessed according to agricultural use value for property tax purposes. The original contract is made for ten years and it is automatically extended for an additional year annually in the absence of notification by either party to the contract. Upon notification by the land owner that the contract will terminate at the end of the 10-year future period, the assessed valuation is increased in annual increments so that the assessed value will equal market value by the end of the contract period.

When the contract is cancelled by the government, no financial penalty is incurred by the land owner. However, if the contract is cancelled by the land owner and the land use is changed before the end of the contract period, a cancellation fee equal to 12.5 percent of the full cash value of the land without restrictions as to use unless waived by the governing body, is charged.

Washington

In the Washington Law, enacted in 1970 and amended in 1973, land which is eligible for agricultural use value assessment must be dedicated for such use for a period of 10 years. If land remains in agricultural use for

a period of 8 years and the owner notifies the local government of his intention to change the use of land after two additional years (the end of the original 10-year contract) no financial penalty is incurred. However, if land is withdrawn from agricultural use and placed in a "developed" use during the contract period, a financial penalty equal to the equivalent of a 7-year rollback tax plus 20 percent plus interest becomes due and payable.

Connecticut

A farmland and open space use value assessment law was enacted in Connecticut in 1963 which provided for use value assessment of eligible lands without any penalty of change in use. This law was amended in 1972 to authorize a conveyance tax on such land when its use is changed. The conveyance tax is ten percent of sale value or cash market value if the use is changed within the first year of open space assessment, 9 percent if changed in the second year . . . and one percent if the use is changed in the tenth year. There is no conveyance tax on open space assessed land if it remains in such use for a period of more than ten years.

The New York Agricultural Districts Law

Legislation enacted by the New York Legislature in 1972 provides for the establishment of agricultural districts in New York State. Proposals for establishment of such districts may originate with landowners or with governmental agencies. The four principal effects of agricultural districts on retaining land in agriculture include (1) prohibition of enactment of local ordinances which might interfere with agricultural operations, (2) limitations on the use of eminent domain, (3) prohibit the spending of public money for public utilities within the district and (4) opportunity for land owners to receive agricultural assessment.

Petitions for formation of agricultural districts may be initiated by land owners of 500 acres or 10 percent of the acreage of the proposed district. Once a district is formed, it cannot be changed for a period of eight years. The petition is presented to the county legislative body which refers it to the district agricultural advisory committee and to the county planning board. Public hearings are held after which the county legislative body either accepts or rejects the proposal. If accepted, the proposal is submitted to the Department of Environmental Conservation.

Purchase of Development or Scenic Easements, or Public Purchase of Agricultural Land

A. Scenic easements have been used effectively in Wisconsin to protect and preserve much of the agricultural land parralleling the Mississippi River.

1. Purpose was to preserve the scenery along this river but involves purchase of development rights on wide strips of agricultural land.
2. Same method could be used in floodplain zoned areas, historical areas etc, where justified by public interest.

State of Maryland

a. C & O Canal Park Way

b. Antietam Battlefield

Senate Bill #4081 to be re-introduced by Senator Mathias involving purchase of scenic easements on 1820 acres, fee purchase of 640 acres by National Park Service (goal of 3200 acres total acreage in battlefield site.)

B. New Jersey Blue Print Commission recommends that each municipality designate a permanent Agricultural Open Space Preserve within its boundaries composed of at least 70% of prime agricultural farm land located therein.

1. Landowners in AOSP are able to sell development easement for their land to state administering agency at inception of program or delay sale until a future time at their option.
2. Funds for financing from tax on real estate transfers at rate of 4 mills or .4 of one per cent.

C. Transfer of Development Rights have also been studied in some areas. Planning commission publishes a schedule showing how many development rights are required for each type of development. If developer does not have enough units on his own land, he would need to purchase required number of units from other landowners in the area.

D. Public Purchase - Restricting and Resale

This method is being implemented in state of Pennsylvania and also in British Columbia.

1. Land is purchased by public agency and then resold with deed restriction to agricultural use only.

After reviewing these different methods and possibilities of preserving agricultural land, I believe there would be circumstances where each method could be used to advantage. Transfer of development rights would probably be least advisable since it would involve a very complicated administration setup. Since the purchase of development easements seems to be the method with the greatest possibility, (except in special situations) I would like to list some policy guidelines and advantages in this method of preserving agricultural land.

1. Would create permanent agricultural preserves instead of 8 to 10 yr. committments.
2. Purchase of development easement should not interfere with future enlargement or improvement of farm operation, have absolutely no control over farming operation other than denying use of farmland for development in the future. Where future of a farm has been uncertain because of urban development nearby, this development easement should make farm

operation more secure. Land would remain under private ownership & control.

3. Development easement value figured at difference between farm use value and market value, therefore when easement has been sold, land could no longer be assessed for tax purposes at market value. Landowner would then only own farm use share of farm.
   a. Farm land assessment mandatory
   b. Estate and Inheritance tax would have less impact on transfer of farm property since landowner now owns only farm use share of farm.
4. Determination of the location of lands to be included in this program should be administered by local representation from farm and urban people who will be affected by the decision, with established guidelines from state & local agencies. Standards for determining areas in which easements would be purchased, compensation rates, landowners right to appeal as well as others who would be affected should be objectively determined.
5. Wherever possible, purchase of easement should only be made from willing sellers until program is understood and accepted by community.

Economic stresses are the largest factor in the conversion of farmland to industrial, commerical or residential purposes. Therefore the purchase of development easements, if properly administered could be a successful method of preserving agricultural land. However, regardless of what method is used to preserve agricultural land, we must not overlook the importance of preserving and promoting the business of agriculture. I feel that our extension service and soil conservation service along with other related agencies have rendered great assistance to preserving agriculture, and now our Md. Dept. of Agriculture. All of these and similar departments should be supported and promoted. (Agriculture Serves Everybody)